

Message Text

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FM AMCONSUL ROTTERDAM

TO SECSTATE WASHDC 1762

C O N F I D E N T I A L ROTTERDAM 0307

E.O. 11652: GDS

TAGS: EIND, SENV, NL, US

SUBJ: OXIRANE CASE SETTLED

REF: ROTTERDAM 207

1. ON APRIL 29, ROTTERDAM MUNICIPAL COUNCIL APPROVED RECOMMENDATION OF ITS SUBCOMMITTEE IMPOSING FINE OF 37,500 GUILDERS (APPROXIMATELY 15,000 DOLLARS) ON OXIRANE BECAUSE OF INADEQUATE AND LATE REPORTING OF DECEMBER 1, 1974 MALFUNCTION AT OXIRANE PLANT WHICH THEY ALLEGED COULD HAVE ENDANGERED PEOPLE AND PROPERTY IN SURROUNDING AREA.

2. BURGOMASTER AND ALDERMEN OF ROTTERDAM HAD INITIALLY DEMANDED FINE OF 4.5 MILLION GUILDERS (ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS) UNDER LEASE PROVISION WHICH PERMITS CITY TO LEVY FINE UP TO TEN TIMES ANNUAL RENT IF TENANT PERMITS DANGEROUS CONDITION TO EXIST ON LEASED PROPERTY. NO HARM WAS CAUSED TO PEOPLE OR DAMAGE TO PROPERTY. OXIRANE HAD VEHEMENTLY DENIED THAT DANGEROUS CONDITION HAD EXISTED AND STRENUOUSLY OBJECTED TO AMOUNT OF FINE WHICH IT HAD APPEALED TO THE ROTTERDAM MUNICIPAL COUNCIL.

3. THE COUNCIL THEREUPON ESTABLISHED A COMMITTEE TO INVESTI-
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GATE NOT ONLY THIS INCIDENT BUT FUTURE INCIDENTS WHERE PLANTS

IN THE ROTTERDAM AREA ARE ALLEGED TO HAVE ENDANGERED PEOPLE OR PROPERTY. TWO MEMBERS OF THE COMMITTEE ARE FROM LABOR PARTY (PVDA), ONE IS FROM CATHOLIC PARTY (KVP) AND ONE FROM LIBERAL PARTY (VVD). THE COMMITTEE MADE A THOROUGH STUDY AND GAVE OXIRANE OPPORTUNITY TO PRESENT ITS CASE. THE APRIL 29 DECISION REPRESENTED THEIR FINDINGS.

4. THE ROTTERDAM MUNICIPAL COUNCIL OF 45 MEMBERS HAS AN ABSOLUTE LABOR PARTY MAJORITY OF 24. NEVERTHELESS, ALL MEMBERS OF THE COUNCIL VOTED FOR THE 37,500 GUILDER FINE WITH THE EXCEPTION OF ONE MEMBER OF THE RADICAL POLITICAL PARTY (PPR). THE BURGOMASTER AND ALDERMEN PUBLICLY EXPRESSED AGREEMENT WITH THE MUNICIPAL COUNCIL.

5. THE BURGOMASTER TOLD CONSUL GENERAL CHRISTIANO AT QUEEN'S BIRTHDAY RECEPTION ON APRIL 30 THAT HE WAS PERSONALLY SATISFIED WITH OUTCOME OF OXIRANE CASE. HE SEEMED TO BE RELIEVED THAT THE MATTER WAS OVER AND WOULD NOT BE BROUGHT INTO COURTS. ALDERMAN VANDER POLS, WHO IS IN CHARGE OF THE HARBOR ADMITTED THAT THERE WAS SOME EMOTIONALISM INVOLVED IN LEVYING THE ORIGINAL HIGH FINE. HE ADDED, HOWEVER, THAT THE OXIRANE CASE HAD PROVED THAT IT IS POSSIBLE TO CARRY OUT ENVIRONMENTAL POLICY BASED ON LEASE PROVISIONS SIMILAR TO THAT IN OXIRANE LEASE WHICH THE CITY HAS WITH OTHER INDUSTRIAL TENANTS.

6. ROTTERDAM AND AMCHAM OFFICIALS AND ALMOST ALL BUSINESSMEN, DUTCH AND AMERICAN, WITH WHOM WE HAVE SPOKEN AGREE THAT THE OUTCOME IS A FAVORABLE ONE. WHILE A FEW ARE CONCERNED THAT THIS DECISION WILL SET A PRECEDENT FOR MUNICIPAL INTERVENTION IN INDUSTRIAL PRODUCTION, MOST BELIEVE, AS DO WE, THAT THE RELATIVELY NOMINAL FINE WAS THE BEST PRACTICAL SOLUTION. THIS IS ALSO THE VIEW OF OXIRANE PRESIDENT MAHONEY AND COUNSEL GORMAN WHO EXPRESSED GREAT SATISFACTION WITH OUTCOME AND APPRECIATION FOR WHAT THEY DESCRIBED AS EXTREMELY HELPFUL ROLE EMBASSY AND CONGEN HAVE PLAYED IN MATTER.

7. IN SUM, WE BELIEVE THAT OUTCOME WILL NOT BE DETRIMENTAL TO INDUSTRIAL INTERESTS IN ROTTERDAM. IT HAS HAD EFFECT OF WARNING INDUSTRY TO MAINTAIN SAFETY PROCEDURES IN FIRST-CLASS CONDITION SO THAT HAZARDS WILL BE KEPT AT MINIMUM. BURGOMASTER
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AND ALDERMEN HAVE MADE THEIR POINT PUBLICLY AND TO THEIR CONSTITUENTS THAT THEY ARE OUT TO KEEP THE CITY SAFE BY ENFORCING ENVIRONMENTAL CONTROL REGULATIONS AND HAVE NOT EXPRESSED RESENTMENT AS A RESULT OF HAVING SEEN FINE DRASTICALLY REDUCED. NO HARM HAS BEEN DONE TO THE GENERALLY HARMONIOUS RELATIONSHIP BETWEEN U.S. BUSINESS INTERESTS AND THE ROTTERDAM CITY GOVERNMENT, SO FAR AS WE CAN TELL, AND OUR GOOD RELATIONSHIP WITH MAYOR AND CITY OFFICIALS HAS, IF ANYTHING,

IMPROVED.
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